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Revenue Tax: LISA SMITH RECORDER Madison County, Iowa INDX V ANNO SCAN CHEK

Prepared by: Michael R. Blaser, 666 Grand Avenue, Suite 2000, Des Moines, IA 50309 (515) 242-2424 Return to: Michael R. Blaser, 666 Grand Avenue, Suite 2000, Des Moines, IA 50309 (515) 242-2480

## MANURE EASEMENT AGREEMENT

THIS MANURE EASEMENT AGREEMENT ("Agreement"), entered into the 21st day of September, 2012, and is effective December 14, 2012, between Jeffry R. Kiddoo, a single person and a resident of the State of Iowa("Grantor"), and Parks Finishing C4, LLC, an Iowa limited liability company ("Grantee").

WHEREAS, Grantee or its assigns desire to apply hog manure from Grantee's hog confinement facility (the "Hog Farm") located on certain property of Grantee, the legal description of which has been attached as Exhibit "A" ("Grantee's Land"), on certain property of Grantor, the legal description of which has been attached hereto as Exhibit "B" ("Grantor's Land"), and Grantor desires to grant an easement to Grantee for the purpose of applying manure to Grantor's Land, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Grantor's conveyance of Grantee's Land to Grantee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. <u>Recitals</u>. The foregoing recitals and attached Exhibits "A" and "B" are hereby incorporated by this reference. In addition to other consideration, the parties expressly agree and acknowledge that consideration for this **Agreement** includes the transfer by **Grantor** of **Grantee's Land** to **Grantee** for nominal consideration for the construction of the **Hog Farm**.
- 2. Easement. Grantor hereby grants, bargains and conveys to Grantee an easement over, across and on Grantor's Land for the purpose of applying such manure in such amounts and at such times as provided in this Agreement, including the right to ingress and egress onto Grantor's Land (the "Easement"). The Easement shall run with the land and bind all future titleholders to Grantor's Land and shall benefit the Hog Farm. Grantor's Land consists of approximately 153.84 tillable acres on which manure can be applied by Grantee (or Grantor as provided herein). The Easement shall be for the purpose of applying manure from the Hog Farm to Grantor's Land only.
- 3. <u>Term and Termination</u>. This Agreement shall continue in full force and effect for an initial term of twenty (20) years from the date hereof and shall continue thereafter for so long as the **Hog Farm** remains in operation, or until either party gives the other party at least eighteen (18) months prior written notice of termination. This Agreement may not be otherwise terminated except by written

agreement, signed by the parties hereto, or their successors, assigns or personal representatives, as applicable.

Manure Application by Grantor; Soil Testing. During the term of this Agreement, 4. Grantor agrees to apply all manure produced by the Hog Farm to Grantor's Land, or to other land for which an written easement or license in favor of Grantee for the application of manure is first obtained by Grantor ("Third Party Land"), all at no cost or expense to Grantee. Grantor agrees to either arrange for the application of such manure by third parties or to provide all equipment, management, labor, fuel and supplies to apply such manure. Grantee, at its expense, will obtain a sample of manure each application season and supply the results of such tests, including maximum application rates, to Grantor. During any application period, Grantor will have 24-hour access to the Hog Farm during the application process. Grantor acknowledges that all manure from the Hog Farm must be applied by Grantor, whether to Grantor's Land or to Third Party Land, in accordance with applicable law, rules and regulations, and specifically that such manure application must comply with Grantee's manure or other nutrient management plan(s), and that Grantor must maintain application records as required by Grantee and provide such records to Grantee after each application period (collectively, the "Legal Requirements"). At no time should Grantor's manure application cause the discharge of manure into the waters of the State of Iowa or into tile lines that discharge directly into the waters of the State of Iowa. Grantor shall not, nor permit any hired applicator or employee to, surface apply manure other than in the event of an emergency. Grantor shall follow, or shall cause its hired applicator or employee to follow, Grantee's specific recommendations and requirements regarding the securing and ventilation of buildings during the agitation of pits so as to minimize risks to humans and livestock. Grantor and Grantor's employees (but only if Grantor or Grantor's employees will be applying manure) or hired applicators will be trained and certified in the application of swine nutrients as required by Iowa law, and will have all necessary permits for manure application. Grantor is responsible for performance of work by its employees, agents or its subcontractors, and Grantor agrees to bind any subcontractors to all provisions of this Agreement. Grantor agrees to indemnify and hold Grantee harmless from any loss, claim, damages, civil penalties, attorneys' fees or costs which arise from the failure of Grantor to perform their responsibilities under this Agreement (including without limitation compliance with the Legal Requirements for the benefit of Grantee) or from the claims of any third parties against Grantee as a result of the actions or inactions of Grantor, which agreement shall survive the termination or completion of this Agreement.

Grantor grants Grantee access to Grantor's Land at all reasonable times during the term of this Agreement for the purpose of soil testing as may be required by federal or state law or rule. Grantor acknowledges that Iowa law requires that each parcel of land to which manure is applied be evaluated under the Iowa phosphorus index prior to manure application. In order to generate a phosphorus index the Iowa DNR requires soil samples at a minimum of 10 acre grids or less. Grantor shall supply Grantee with current soil samples (less than 4 years old) of at least 10 acres grids or less and then again every 4 years to continue manure application on Grantor's Land. If Grantor fails to supply the required soil samples, then Grantor: (a) shall grant Grantee or its representatives access to Grantor's Land to obtain such samples; and (b) agrees to pay Grantee for all of Grantee's costs incurred in obtaining such soil samples and in having such samples analyzed.

5. Application of Manure. Subject to paragraph 4, Grantee may provide for application of manure to Grantor's Land, whether by Grantee or by third parties hired by Grantee. Grantor shall have the exclusive right to any or all manure produced at the Hog Farm for application to Grantor's Land, as such term may be amended from time to time. All environmental and conservation credits,

including carbon sequestration or similar credits or benefits, which are associated with the application of manure as provided in this Agreement shall be the sole property of Grantee. If Grantee applies manure, Grantee shall apply manure on Grantor's Land at such time and frequency as Grantee may reasonably determine. If manure is to be applied other than between October 15 to December 31 of any year, Grantee shall first obtain the written consent of Grantor to apply such manure, which consent shall not be unreasonably withheld. Grantor further agrees that if during the period of this Agreement, it is determined by an independent source (e.g., ISU Extension) that a build-up of nutrients or trace elements has occurred which has become significantly detrimental to crop production, Grantee will suspend the spreading of manure until the build-up has been reduced to levels not significantly detrimental to crop production; provided, however, such suspension will not result in a termination of this Agreement.

- Marranties of Grantor. Grantor warrants that Grantor has title to and the unrestricted right to convey the Easement. Grantor waives all rights of dower, homestead and distributive share in and to Grantor's Land. Grantor agrees to not apply additional fertilizer to Grantor's Land if such application, when combined with the manure applied to Grantor's Land under this Agreement, would exceed the optimal fertilization for the crops grown on Grantor's Land or would cause Grantee to not be in compliance with Grantee's required nutrient or manure management plan(s).
- 7. <u>Binding Effect</u>. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors, assigns and personal representatives. Without limiting any assignment rights, Grantee may assign its rights under this Agreement, in whole or in part, for such periods as Grantee may determine, to third parties desiring to apply manure to Grantor's Land.
- 8. <u>Limitation of Liability</u>. The parties hereto agree that no agent or employee of one party is an agent or employee of the other, and that any liability arising from the actions or negligence of an agent or employee of a party hereto shall be such party's sole responsibility and expense, with any party so responsible hereby agreeing to indemnify and hold the non-responsible party, and the non-responsible party's agents, employees, successors and assigns, harmless from and against any claim, damage or expense (including reasonable attorneys' fees) arising from or related to any accident, injury or death of any person, or damage or destruction of property, arising from or in connection with the responsible party's use of the **Easement**. Such indemnification shall survive the termination of this **Agreement**.
- 9. <u>Waiver</u>. The failure of any party hereto to insist in any one or more instances upon performance of any term or condition of this **Agreement** shall not be construed as a waiver of future performance of any such term, covenant or condition, but the obligation of such party with respect thereto shall continue in full force and effect.
- 10. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of Iowa.
- 11. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties and supersedes all earlier agreements or understandings, written or oral. No amendment to this Agreement shall be effective unless it is in writing and signed by both parties and/or their respective heirs, successors, assigns and personal representatives. If any provision of this Agreement is held invalid, the remaining provisions of this Agreement shall remain in full force and effect as if that invalid provision had not been included in this Agreement. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neutered gender according to the context.

12. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original for all purposes and all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

**GRANTOR** 

**GRANTEE** 

Parks Finishing C4, LLC

Jeffry R. Kiddoo

Lawrence Parks, Manager

OFFICIAL SEAL NICOLE E CRITES NOTARY PUBLIC - STATE OF ILLINOIS MY COMMISSION EXPIRES:05/22/16

STATE OF Illinois)
) SS: COUNTY OF Champingn

On this 21st day of September, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared Lawrence Parks, to me personally known, who being by me duly sworn, did say that he is the sole Manager of Parks Finishing C4, LLC, an Iowa manager-managed, limited liability company, executing the within and foregoing instrument; that the within and foregoing instrument was signed on behalf of the company by authority of its Manager; and that Lawrence Parks, as sole Manager, acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the company, by it and by him voluntarily executed.

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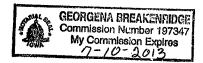
NOTARY PUBLIC IN AND FOR THE STATE

OF Illinois

COUNTY OF Madeson

On this 30th day of Sept., 2012, before me, the undersigned, a Notary Public in for said State, personally appeared Jeffry R. Kiddoo, to me personally known, who executed the within and foregoing instrument, by him voluntarily executed. , 2012, before me, the undersigned, a Notary Public in and

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## Exhibit "A" Grantee's Land – Legal Description

A parcel of land located in part of the SE ¼ SE ¼ of Section 2, Township 74 North, Range 29 West of the 5<sup>th</sup> Principal Meridian, Madison County, Iowa, said parcel being more fully described as follows:

Commencing at the Southwest corner of said SE ¼ SE 1/4; thence N89°55'39"E along the South line of said SE ¼ SE ¼ a distance of 449.65 feet; thence N00°00'00"E a distance of 357.53 feet to the Point of Beginning; thence continuing N00°00'00"E a distance of 544.80 feet; thence N90°00'00"W a distance of 239.85 feet; thence S00°00'00"E a distance of 545.11 feet; thence N89°55'36"E a distance of 239.85 feet to the Point of Beginning. Said parcel contains 3.00 acres, more or less, and is subject to easements of record, if any.

Note: The South line of the SE ¼ of said Section 2 is assumed to bear N89°55'39"E for this description.

## Exhibit "B" Grantor's Land – Legal Description

The SW 1/4 of Section 23, Township 74 North, Range 29 West of the 5th P.M., Madison County, Iowa.